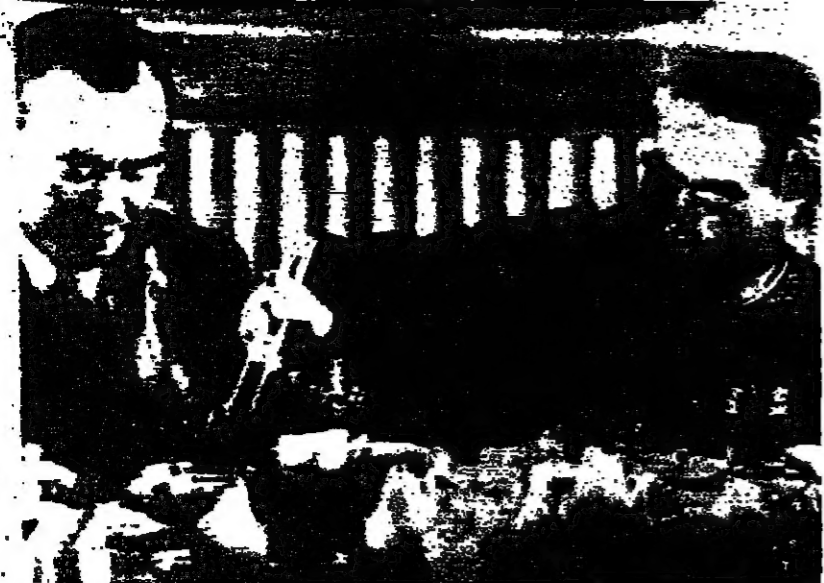


Strikes over Page 3 Homes to rent Page 7

Price: 45 ag. WASHINGTON, SEPTEMBER 23, 1972 • TISHREI 20, 5783 • SHA'ABAN 19, 1392 • VOL. XLII, No. 13598



Premier Chou En-lai, right, helps Japanese Premier Kakuei Tanaka a choice tibbit during official banquet at Peking's Great Hall of the People.

Tanaka, Mao hold 'non-political' chat

BEIJING (Reuter)—Chinese leader Mao Tse-tung had a one-hour meeting last night with Japanese Prime Minister Kakuei Tanaka, a Japanese spokesman said.

Liberation groups voted U.N. observer status

UNITED NATIONS (UPI)—The resolution committee of the United Nations General Assembly yesterday took the precedent-setting step of voting observers' status for national liberation movements in its deliberations.

Over 100 killed on Yemen border

SANAA (Reuter)—More than 100 persons were killed in recent incidents in the border area between the two Yemeni republics, the Premier of the Yemen Arab Republic, Mr. Momen al-Aini, said here yesterday.

Bonn 'explains' to Arab states reasons for additional security measures

WEST GERMANY (Reuter)—West Germany ordered its Middle East ambassadors to explain to Arab governments the reasons for tighter security measures on Arabs living following the Munich massacre, foreign ministry spokesman said today.

HOME TO EBAN: Won't upset balance in M.E.

Jerusalem Post Diplomatic Correspondent British Foreign Secretary Sir Alec Douglas-Home on Tuesday assured Foreign Minister Abba Eban that Britain has no intention of upsetting the balance of power in the Middle East by supplying offensive weapons to Egypt.

Must seize fleeting opportunity

UNITED NATIONS (UPI)—British Foreign Secretary Sir Alec Douglas-Home said yesterday the Soviet military pullout from Egypt was a "fleeting" opportunity that should be seized in the quest for peace in the Middle East.

Jackson urges action on Soviet fees

WASHINGTON — The campaign against the Soviet exit fees for Jewish professionals gathered strength yesterday as Senator Henry Jackson proposed strong legislation which would deny trade concessions to the Soviet Union unless the fees were rescinded.

New I.D.F. intelligence chief named

Jerusalem Post Military Correspondent Aluf Eliahu Zeira has been appointed Chief of Army Intelligence, effective from next Sunday.

Allon: Settlement is vital

Jerusalem Post Reporter BINYAMINA — Deputy Premier Yigal Allon said here last night that, even under the most moderate and selective settlement plan, there are now wide open areas expecting Jewish settlement on a scale no smaller than during the 30 years of the Mandate.

Russian arms to terrorists

Jerusalem Post Arab Affairs Reporter Beirut reports said yesterday that Russia's recent arm supplies to Syria included a weapons consignment to the terrorists stationed in Syria and Lebanon.

Vietnam peace report causes stock rise

NEW YORK (Reuter)—The New York stock market rose sharply yesterday amid speculation that the U.S. had reached agreement with North Vietnam on a cease-fire in Vietnam.



ALUF ELIAHU ZEIRA

Yariv: 12 Soviet planes in new airlift to date

'Playing up presence in Syria'

By HIRSH GOODMAN, Jerusalem Post Military Correspondent Twelve Soviet Antonov transport planes have so far landed in Damascus as part of the airlift of Russian arms to Syria which began over the weekend.

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Aluf Yariv speaking at his news conference in Tel Aviv yesterday.

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without adding to the Soviet presence in his country. There was one problem in achieving this, however, he said, and that was that the Soviets are demanding publicity for obvious reasons.

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לעם בישראל - ברכת חג שמח

Advertisement for 'Savoy' cigarettes, featuring a large illustration of a cigarette pack and the text 'Savoy ROYAL PROPA'.

Advertisement for 'Reiss Cohen' art gallery, featuring the text 'One of the largest collections of 19th-20th century graphics' and 'CHAGALL DALI VASSARELY, RENOIR'.

Advertisement for 'TOURIST!' travel services, featuring the text 'Duty & Tax free export scheme 30% Reductions Women's & Men's Suede & Leather Wear'.

Advertisement for 'AVIS RENT A CAR' with the text 'FREE 1000 kms DAILY' and 'We try harder.'

Advertisement for 'FEDDERS' air conditioning units, featuring the text 'WORLD'S LARGEST SELLING AIR-CONDITIONERS'.

Advertisement for 'KENWOOD' stereo equipment, featuring the text 'STEREO סטריאו' and 'מקלט רדיו-מקלטים • מינימונים'.

RENTAL HOUSING: TIME FOR A FRESH LOOK

Post Economic Editor Moshe... argues for an unbiased discussion on 'one of the most sacred of establishment cows'

—the 'need' to own the home one lives in. He says that the present system has great disadvantages but that

rental housing projects are doomed to failure 'because they are discriminated against by the Government.'

RECENT survey of dwelling conditions in Israel confirms tenant ownership is the prevailing system of housing in this country. In 1963-64, almost 60 per cent of families owned the flats they lived in; in 1971 the figure was 64 per cent. In the development areas, however, tenant ownership accounted for only 49 per cent of flats; one half of the families still lived in rented homes.

statement terms. It was in this year, too, that a legal framework was first provided for the joint-ownership of house property. The original intention of providing everybody with adequate living accommodation had to be abandoned owing to the shortage of resources, but the retreat has never been officially admitted. Instead, a kind of means test has been instituted by the authorities in the form of participation by a would-be tenant in the cost of his prospective dwelling.

OFFICIAL spokesmen keep promising to put an end to the housing shortage within a couple of years, but we should have learnt by now not to take these forecasts at face value. With rising living standards, the concept of 'decent housing' must also advance. There is no reason to expect social differences to be less pronounced in dwelling than in other consumption items; but the prevalence of tenant-ownership can only make them more intractable.

the prevailing inflationary trend— from which most people hope to gain, at least as property owners. WHY, then, is the system maintained in spite of its overwhelmingly negative effects? The usual answer is that people like it, that everybody prefers to live on his own property. The Jews are especially individualistic and don't like being dependent on the whims of a landlord. This is all patent humbug. In the circumstances prevailing in Israel, everybody has to strive to become a house-owner because he has no alternative.

MASS IMMIGRATION starting-point for new thinking is the recognition that tenancy is a relatively new phenomenon in this country, closely tied with the mass immigration, and scarcity that characterized the initial period of the State. Before World War II, 90 per cent of the Jewish population lived in rented flats, with tenancy confined to the rest of the country, a few villas belonging to rich, a fringe of shacks in the urban, and a scatter of housing co-operatives.

REDUCED MOBILITY Reduced mobility is only one of the adverse effects of the present system. Another is the increased social polarization between the haves and the have-nots, unable to acquire even a modest home because of lack of accumulated capital. Welfare policies, aimed at narrowing the social gap, must encounter added difficulties under the prevailing circumstances, because aid inevitably assumes the form of capital grants instead of current assistance.

NO MARKET No less important are the economic consequences of the present system. Since there is no market for dwellings without ownership, the demand for residential housing is exaggerated by speculative considerations. Young couples acquire flats which they may not actually need for another decade or so, while ageing people stick to homes which have become too large for them not only for sentimental reasons, but because anything else may be more expensive.

RED HEERING Another recurring habitually dangled by officials is the contention that we cannot afford rental housing, because rent—properly calculated—is beyond the capacity of most people in this country. A man occupying an apartment worth, say, IL200,000 (which is the current middle-class Jerusalem standard) may have obtained the land from the government at a nominal price. He may have financed the building by means of a low-interest loan from government funds and with help from his parents or in-laws. He may therefore feel that his housing is not costing him much. But the Government ought to expose, not to encourage, the delusion that housing can be provided at no cost to the community, if not to the individual.

MINISTRY OF TOURISM Jerusalem Region cordially invite all visitors to join their 25TH ANNIVERSARY CELEBRATIONS. FEATURING SHOSHANA DAMARI S. OPHIR. Internationally Renowned Singer Master of Ceremonies. HAPARVARIM — Popular Singing Duo. ZADIKOV — Children's Choir. TZAVTA — Israel Folk Dances. MILITARY RABBINATE CHOIR. on Thursday, September 28, 1972 at 8.30 p.m. at the Jerusalem Theatre — 20 Rehov David Marcus.

PAY A VISIT TODAY TO THE 8th INTERNATIONAL FLOWER SHOW HOLON. EXOTIC FLOWERS FROM AFRICA AND THE FAR EAST. Giant aquarium of Red Sea fish. Toy Bazaar. The show is held at the Victory Pool near the Licensing Office. Open daily from 10 a.m. to 12 midnight and until 3 p.m. on Fridays. Transport: Dan Route No. 1, Egged Routes Nos. 89, 90, 92. Further information from Yodaphone, Tel. 252425. Flower Show, Tel. 341486.

DISCRIMINATION The real answer to the question as to why the system maintained is less popular but simpler. Rental housing projects are doomed to failure because they are discriminated against by the Government's present fiscal policy. A paper recently published by Y. Weiss and D. Pines (of the Centre for Urban and Regional Studies of Tel Aviv University) calculated that the real cost of renting an apartment is about 50 per cent more than owning a comparable one, largely owing to different treatment in matters of tax and credit. The major factor here is the exemption from tax enjoyed by the actual income from a tenant-owned flat, compared to income from an alternative use of the same capital. This rate rises progressively with income but the authors think it is subject to the full marginal tax averages about one half of their estimated differential. Incidentally, that differential does not include capital gains resulting from the appreciation of real estate (particularly in inflationary circumstances) which also enjoy preferential tax treatment.

NOTICES TO THE PUBLIC State of Israel Ministry of Communications Tender No. 73/72. Tenders are invited for the supply of: 200 000 wall sockets for telephones. Tender forms and further particulars can be obtained from the Director, Purchasing and Supplies Division, 172 Rehov Herzl, Tel Aviv, daily during working hours. The tender must be accompanied by a letter of guarantee for the amount of 10% of the first IL50,000 and 5% of the balance in order to ensure the amount specified in the tender form. Tender accompanied by the guarantee must be addressed to the Director General, Ministry of Communications, Jerusalem, in double envelopes. The inner envelope is to be marked "Confidential - Tender No. 73/72". Tenders not submitted in the above manner will not be considered. Tenders must be submitted no later than October 23, 1972. The Ministry of Communications is not bound to accept the lowest of any tender nor to order the entire quantity from a single contractor. Tenders by telegram will not be accepted. Director-General Ministry of Communications



Finance Minister Pinhas Sapir photographed while addressing Tuesday's session of the International Monetary Fund meeting in Washington.

SANBAR PLAN TO AID THE UNDEVELOPED

Jerusalem Post Reporter The industrial growth of developing nations is being hampered by their perennial shortage of funds to finance their exports. Offering this view at the annual meeting of the World Bank in Washington on Tuesday, Bank of Israel Governor Moshe Sanbar proposed that the World Bank consider establishing special guarantee arrangements to facilitate trade between developing nations.

proposing that the World Bank actually finance exports directly. Rather, he was seeking a vehicle by which the Bank would undertake to back the financial obligations of the importing country, if it was a developing one. According to a report issued by the Government Press Office in Jerusalem, several governors of national banks in Latin America as well as those of Japan, Holland and Belgium have endorsed Mr. Sanbar's proposal.

French call for new exchange rate system

WASHINGTON (Reuters). — French Finance Minister Giscard d'Estaing called here yesterday for a three-phase reform of the monetary system, starting with an agreement on a new exchange rate mechanism by this time next year. He told the International Monetary Fund and World Bank meeting here that the second phase would be the restoration of the convertibility of the dollar into other reserve assets. Thirdly, monetary authorities would decide upon the appropriate standard for international currencies. In this context, the Minister reiterated his Government's view that gold represented a safer and more inflation-free base for the system than special drawing rights, or paper gold, the reserve created by the I.M.F. as a substitute for the metal.

Market and applicant countries in London. A fixed but more flexible exchange rate system with intervention responsibilities by central banks to keep currencies in line; restoration of dollar convertibility into other reserve assets; that each country should submit to voluntary economic adjustment disciplines under an international authority to avoid excessive reserve movements; the creation of fresh world money should be undertaken in the interests of global needs but in a way that would ensure stability of the monetary system; regulation of short-term capital movements should be made more effective and more harmonious. Turkey's Minister of Finance, Mr. Ziya Muezzinoglu, told the meeting that reform of the world's monetary system had become indispensable. He said it was evident that the main reserve currencies could not play their historical roles in the existing system and that, therefore, sounder international instruments should be substituted for them.

Israel backs Schumann trade plan

Jerusalem Post Diplomatic Correspondent Foreign Minister Abba Eban has expressed Israel's support for the French Schumann plan for a Mediterranean free trade zone that would include Israel. This was the first time that Israel has come out officially in favour of the French Foreign Minister's plan which is to be taken up by the E.E.C. Foreign Ministers' conference on October 9. Mr. Eban made this statement during his meetings in New York with various European Foreign Ministers. He requested however that a special committee be appointed by the E.E.C. to deal with the free trade zone idea, which should have broad terms of reference. Should the deliberations on the free trade zone extend beyond 1972, the E.E.C. should sign an interim agreement with Israel, according to Mr. Eban.

EL AL gets \$13.7m. loan for new jumbo. WASHINGTON (Reuters). — El Al Airlines will purchase its third Boeing 747 jumbo jet with the help of a \$13,725,045 Export-Import Bank loan, the bank announced on Tuesday. The bank said it is also ready to guarantee financing of a like amount from other sources, if required. The Export-Import financing is to be repaid over 10 years beginning in November 1973. Interest will be six per cent annually on outstanding balances. CHINESE — The overseas Chinese population throughout the world now exceeds 20 million, according to an official survey published in Taipei. More than 19 million — or about 95 per cent of the total — live in Asia.

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AT ASHDOD PORT QUESHET ORIENTVILLE 29.9 LEDA 29.9 CASSIS 30.9 OLDENBURG 30.9 ANETTE BOS. 30.9 KATHARINA 3.10

AT ELIAT PORT DAHLIA 1.10 Subject to change without notice. ZIM ISRAEL NAVIGATION COMPANY General Agents: M. DIZENGOFF & Co. Ltd.

WALL STREET The U.S. stock prices and report were not received last night owing to a communications breakdown.

AT HAIFA PORT ALGA 28.9 PAILYAM 29.9 BAT SNAPIR 30.9 KATHARINA 3.10 QUESHET 3.10 ANETTE BOS. 3.10

AT ASHDOD PORT QUESHET ORIENTVILLE 29.9 LEDA 29.9 CASSIS 30.9 OLDENBURG 30.9 ANETTE BOS. 30.9 KATHARINA 3.10

U.S. SECURITIES OSCAR GRUSS & SON MANAGERS NEW YORK STOCK EXCHANGE TEL AVIV: Shalom Tower, 19th Floor Tel. 51961

Foreign Exchange Yesterday's Interbank rates, London Dollar 2.438/22 per £ DM 3.1984/69 per \$ Swiss Fr. 3.7960/65 per \$ French Fr. 5.0075/90 per \$ French Fin. 4.885/890 per \$ Lire 581.40/60 per \$ Dutch Fl. 3.2335/45 per \$ Yen 300.95/301.05 per \$ Fine gold per ounce \$63.75/64.50 INTERBANK INTEREST RATES IN LONDON: 3 Months Dollar 5% DM 2 1/4% Swiss Fr. 1 1/2% 12 Months 6 1/4% 3 1/4% Supplied by Japhet Bank Ltd.

Good news brings life to market

TEL AVIV. — The market opened rather hesitant on an opening volume of IL1.4m worth of shares when two items of good news came in: Teva declared a 20 per cent cash dividend together with a 25 per cent stock dividend; and American Israeli Paper Mills announced that Savkal will exercise additional options to produce various Wankel rotary engines and the company plans a \$5m. public offering of ADRs through a prospectus on the American stock exchange. Consequently Teva, AIPM and British Bank were not traded yesterday.

But that was enough to bring new life to the market, which remained open in spite of the holidays until the usual close of 1 p.m., although it had been intended to shorten the session. Volume accelerated with IL1.5m in the variables to a total of IL3.2m. The general index of share prices rose by 0.04 per cent to stand at 283.36.

Bank Leumi and Union Bank rose 3 and 5 points respectively. Wolfson Clore got out of its dol-drum and rose 2 points to 116.5 with 148,500 shares traded. Some 200,000 rights of I.L.D.C. were offered at the opening but demand caused the rights to rise in the variables to 44 and the shares to 224.5. Volume was 460,000 and 70,000 respectively.

Rasoco both preferred and ordinary, again rose two points. Other lands and industrials were quiet. Investment companies were again active, mostly on the rise of two to three points with good turnover.

Dollar and cost-of-living bonds were mixed, with IL2.2m worth traded. Natad fell a point to IL2.23 with \$57,300 traded.

Table with columns: DEBENTURES, BANKING INSUR. & FINANCE, FUELS & OIL, INVESTMENT COMPANIES, ISRAEL DISCOUNT BANK LTD., ALON, DEKEL, BROSH, MANAGER - DISCOUNT BANK INVESTMENT CORPORATION LTD.

